

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

SW-03437A



Verde Santa Fe Wastewater Co., Inc.
6825 E. Tennessee Ave. Suite 401
Denver, CO 80224

RECEIVED

APR 19 2005

AZ Corporation Commission
Director Of Utilities

ANNUAL REPORT

FOR YEAR ENDING

| | | |
|-----------|-----------|-------------|
| 12 | 31 | 2004 |
|-----------|-----------|-------------|

FOR COMMISSION USE

| | |
|--------------|-----------|
| ANN05 | 04 |
|--------------|-----------|

COMPANY INFORMATION

Company Name (Business Name) Verde Santa Fe Wastewater Co., Inc.

Physical Address 5655 E. Cornville Rd.
(Street)

Cornville
(City)

AZ
(State)

86325
(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address 11593 S. Fortuna Road
(Street)

Yuma
(City)

AZ
(State)

85367
(Zip)

(928)-342-7300

(928)-342-9346

(928)-580-5522

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: Jason Williamson Executive Director
(Name) (Title)

6825 E. Tennessee Ave. Suite 401
(Street)

Denver
(City)

CO
(State)

80224
(Zip)

(303)-333-1250

(303)-333-1257

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address pivotalutility@earthlink.com

On Site Manager: Arizona Wastewater Service
(Name)

2160 Shelby Dr.
(Street)

Sedona
(City)

AZ
(State)

86336
(Zip)

(928)-203-9320

(928)-203-9321

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Statutory Agent: Joshua J. Meyer, Esq.
(Name)

11593 S. Fortuna Rd. Yuma AZ 85367
(Street) (City) (State) (Zip)

(928) 342-7300
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: Same as Statutory Agent
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|---|--|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input checked="" type="checkbox"/> YAVAPAI | <input checked="" type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME: Verde Santa Fe Wastewater Co., Inc.

UTILITY PLANT IN SERVICE

| Acct. No. | DESCRIPTION | Original Cost (OC) | Accumulated Depreciation (AD) | O.C.L.D. (OC less AD) |
|----------------------|---------------------------------|-----------------------------------|--|----------------------------------|
| 351 | Organization | \$30,909 | \$11,591 | \$19,318 |
| 352 | Franchises | | | |
| 353 | Land and Land Rights | \$45,400 | | \$45,400 |
| 354 | Structures and Improvements | \$441 | \$94 | \$347 |
| 355 | Power Generation Equipment | | | |
| 360 | Collection Sewers – Force | | | |
| 361 | Collection Sewers – Gravity | \$328,735 | \$65,747 | \$262,988 |
| 362 | Special Collecting Structures | | | |
| 363 | Services to Customers | \$73,179 | \$14,636 | \$58,543 |
| 364 | Flow Measuring Devices | | | |
| 365 | Flow Measuring Installations | | | |
| 370 | Receiving Wells | | | |
| 380 | Treatment and Disposal Equip. | \$310,713 | \$87,587 | \$ |
| 381 | Plant Sewers | | | |
| 382 | Outfall Sewer Lines | | | |
| 389 | Other Plant and Misc. Equipment | | | |
| 390 | Office Furniture and Equipment | \$3,536 | \$832 | \$ |
| 391 | Transportation Equipment | | | |
| 393 | Tools, Shop and Garage Equip. | \$4,676 | \$756 | \$ |
| 394 | Laboratory Equipment | | | |
| 395 | Power Operated Equipment | | | |
| 398 | Other Tangible Plant | | | |
| | TOTALS | \$790,527 | \$181,243 | \$386,596 |

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME: Verde Santa Fe Wastewater Co., Inc.

CALCULATION OF DEPRECIATION EXPENSE

| Acct. No. | DESCRIPTION | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2) |
|----------------------|---------------------------------|------------------------------|--|---------------------------------------|
| 351 | Organization | \$30,909 | 5% | \$1,545 |
| 352 | Franchises | | | |
| 353 | Land and Land Rights | \$45,400 | | \$ |
| 354 | Structures and Improvements | \$441 | 5% | \$22 |
| 355 | Power Generation Equipment | | | |
| 360 | Collection Sewers – Force | \$328,735 | 5% | \$16,437 |
| 361 | Collection Sewers – Gravity | | | |
| 362 | Special Collecting Structures | | | |
| 363 | Services to Customers | \$73,179 | 5% | \$3,659 |
| 364 | Flow Measuring Devices | | | |
| 365 | Flow Measuring Installations | | | |
| 370 | Receiving Wells | | | |
| 380 | Treatment and Disposal Equip. | \$306,620 | 5% | \$15,536 |
| 381 | Plant Sewers | | | |
| 382 | Outfall Sewer Lines | | | |
| 389 | Other Plant and Misc. Equipment | | | |
| 390 | Office Furniture and Equipment | \$2,921 | 5% | \$177 |
| 391 | Transportation Equipment | | | |
| 393 | Tools, Shop and Garage Equip. | \$2,322 | 5% | \$234 |
| 394 | Laboratory Equipment | | | |
| 395 | Power Operated Equipment | | | |
| 398 | Other Tangible Plant | | | |
| | TOTALS | \$790,527 | | \$37,610 |

This amount goes on Comparative Statement of Income and Expense Acct. 403

COMPANY NAME: Verde Santa Fe Wastewater Co., Inc.

BALANCE SHEET

| Acct. No. | | BALANCE AT BEGINNING OF TEST YEAR | BALANCE AT END OF YEAR |
|----------------------|---|--|---------------------------------------|
| | ASSETS | | |
| | | | |
| | CURRENT AND ACCRUED ASSETS | | |
| 131 | Cash | \$18,019 | \$35,702 |
| 132 | Special Deposits | | |
| 135 | Temporary Cash Investments | \$0 | |
| 141 | Customer Accounts Receivable | \$2,783 | \$15,345 |
| 146 | Notes/Receivables from Associated Companies | | |
| 151 | Plant Material and Supplies | | |
| 162 | Prepayments | | |
| 174 | Miscellaneous Current and Accrued Assets | \$0 | \$0 |
| | TOTAL CURRENT AND ACCRUED ASSETS | \$20,802 | \$51,047 |
| | | | |
| | FIXED ASSETS | | |
| 101 | Utility Plant in Service | \$790,527 | \$797,590 |
| 103 | Property Held for Future Use | | |
| 105 | Construction Work in Progress | 0 | |
| 108 | Accumulated Depreciation – Utility Plant | (\$143,019) | (181,243) |
| 121 | Non-Utility Property | | |
| 122 | Accumulated Depreciation – Non Utility | | |
| | TOTAL FIXED ASSETS | \$647,509 | \$616,347 |
| | | | |
| | TOTAL ASSETS | \$668,311 | \$667,394 |

NOTE: Total Assets on this page should equal **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

| Acct. No. | LIABILITIES | BALANCE AT BEGINNING OF TEST YEAR | BALANCE AT END OF YEAR |
|--------------|---|---|------------------------------|
| | CURRENT LIABILITES | | |
| 231 | Accounts Payable | \$2,070 | \$2,835 |
| 232 | Notes Payable (Current Portion) | | |
| 234 | Notes/Accounts Payable to Associated Companies | | |
| 235 | Customer Deposits | \$6,991 | \$13,636 |
| 236 | Accrued Taxes | \$0 | |
| 237 | Accrued Interest | | |
| 241 | Miscellaneous Current and Accrued Liabilities | \$9,135 | \$242 |
| | TOTAL CURRENT LIABILITIES | \$18,196 | \$16,713 |
| | LONG-TERM DEBT (Over 12 Months) | | |
| 224 | Long-Term Notes and Bonds | \$0 | \$0 |
| | DEFERRED CREDITS | | |
| 252 | Advances in Aid of Construction | \$ | |
| 253 | Other Deferred Credits | | |
| 255 | Accumulated Deferred Investment Tax Credits | | |
| 271 | Contributions in Aid of Construction | \$557,365 | \$557,365 |
| 272 | Less: Amortization of Contributions | (\$89,316) | (\$114,915) |
| 281 | Accumulated Deferred Income Tax | | |
| | TOTAL DEFERRED CREDITS | \$468,049 | \$442,450 |
| | TOTAL LIABILITIES | \$486,245 | \$460,000 |
| | CAPITAL ACCOUNTS | | |
| 201 | Common Stock Issued | \$233,658 | \$233,658 |
| 211 | Other Paid in Capital | \$0 | |
| 215 | Retained Earnings | (\$51,591) | (\$26,263) |
| 218 | Proprietary Capital (Sole Props and Partnerships) | | |
| | TOTAL CAPITAL | \$182,067 | \$207,395 |
| | TOTAL LIABILITIES AND CAPITAL | \$668,311 | \$667,394 |

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

| | OPERATING REVENUES | PRIOR YEAR | TEST YEAR |
|--------|-------------------------------------|-------------------|------------------|
| 521 | Flat Rate Revenues | \$87,275 | \$137,012 |
| 522 | Measured Revenues | | |
| 536 | Other Wastewater Revenues | \$12,302 | \$13,440 |
| | TOTAL REVENUES | \$99,578 | \$150,452 |
| | | | |
| | OPERATING EXPENSES | | |
| 701 | Salaries and Wages | | |
| 710 | Purchased Wastewater Treatment | | |
| 711 | Sludge Removal Expense | \$7,130 | \$4,862 |
| 715 | Purchased Power | \$9,837 | \$9,819 |
| 716 | Fuel for Power Production | | |
| 718 | Chemicals | \$4,037 | \$4,291 |
| 720 | Materials and Supplies | \$568 | \$82 |
| 731 | Contractual Services – Professional | \$1,254 | \$1,209 |
| 735 | Contractual Services – Testing | \$4,499 | \$5,482 |
| 736 | Contractual Services – Other | \$40,190 | \$55,569 |
| 740 | Rents | \$0 | \$0 |
| 750 | Transportation Expense | \$2,342 | \$3,884 |
| 755 | Insurance Expense | \$2,065 | \$2,894 |
| 765 | Regulatory Commission Expense | \$781 | \$1,117 |
| 775 | Miscellaneous Expense | \$16,448 | \$21,291 |
| 403 | Depreciation Expense | \$11,657 | \$37,610 |
| 408 | Taxes Other Than Income | \$0 | \$0 |
| 408.11 | Property Taxes | \$1,970 | \$2,423 |
| 409 | Income Taxes | \$45 | \$45 |
| | TOTAL OPERATING EXPENSES | \$103,092 | \$150,578 |
| | | | |
| | OTHER INCOME/EXPENSE | | |
| 419 | Interest and Dividend Income | \$0 | \$0 |
| 421 | Non-Utility Income | | |
| 426 | Miscellaneous Non-Utility Expenses | | |
| 427 | Interest Expense | \$126 | \$144 |
| | TOTAL OTHER INCOME/EXP | (\$126) | (144) |
| | | | |
| | NET INCOME/(LOSS) | (\$3,641) | (\$270) |

COMPANY NAME: Verde Santa Fe Wastewater Co., Inc.

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

| | LOAN #1 | LOAN #2 | LOAN #3 | LOAN #4 |
|------------------------|----------------|----------------|----------------|----------------|
| Date Issued | | | | |
| Source of Loan | | | | |
| ACC Decision No. | | | | |
| Reason for Loan | | | | |
| Dollar Amount Issued | | \$ | \$ | \$ |
| Amount Outstanding | | \$ | \$ | \$ |
| Date of Maturity | | | | |
| Interest Rate | | % | % | % |
| Current Year Interest | | \$ | \$ | \$ |
| Current Year Principle | | \$ | \$ | \$ |

COMPANY NAME: Verde Santa Fe Wastewater Co, Inc.

WASTEWATER COMPANY PLANT DESCRIPTION

TREATMENT FACILITY

| | |
|---|-------------------|
| TYPE OF TREATMENT (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.) | Extended Aeration |
| DESIGN CAPACITY OF PLANT (Gallons Per Day) | 23,800 |

LIFT STATION FACILITIES

| Location | Quantity of Pumps | Horsepower Per Pump | Capacity Per Pump (GPM) | Wet Well Capacity (gals) |
|----------------------------------|-------------------|---------------------|-------------------------|--------------------------|
| 4400 W. Hogan Rd. Cornville, AZ | 2 | 2 | 60 | 1,000 |
| Wastewater Plant Site (Influent) | 2 | 15 | 620 | 1,814 |
| Wastewater Plant Site (Effluent) | 2 | 26 | 356 | 4,681 |
| Wastewater Plant Site (Flow EQ) | 2 | 2.5 | 90 | 15,000 |
| | | | | |
| | | | | |

FORCE MAINS

| Size | Material | Length (Feet) |
|--------|----------|---------------|
| 4-inch | PVC | 1,722 |
| 6-inch | PVC | 5,447 |
| | | |
| | | |

MANHOLES

| Type | Quantity |
|----------|----------|
| Standard | 90 |
| Drop | |

CLEANOUTS

| Quantity |
|----------|
| 12 |
| |

COMPANY NAME: Verde Santa Fe Wastewater Co., Inc.

WASTEWATER COMPANY PLANT DESCRIPTION CONTINUED

COLLECTION MAINS

| Size (in inches) | Material | Length (in feet) |
|---------------------|----------|---------------------|
| 4 | | |
| 6 | | |
| 8 | PVC | 22,954 |
| 10 | | |
| 12 | | |
| 15 | | |
| 18 | | |
| 21 | | |
| 24 | | |
| 30 | | |
| | | |

SERVICES

| Size (in inches) | Material | Quantity |
|---------------------|----------|----------|
| 4 | | |
| 6 | | |
| 8 | | |
| 12 | | |
| 15 | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY

| | |
|---|---|
| SOLIDS PROCESSING AND HANDLING FACILITIES | 1 Aerated Sludge Holding Tank |
| DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.) | One Chlorine Contact tank with Tablet feed system |
| FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.) | N/A |
| STRUCTURES (Buildings, Fences, Etc.) | One metal on-site operations/ control building Block Perimeter Fence |
| OTHER (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.) | Laboratory/ Process Control Testing Equipment |

COMPANY NAME: Verde Santa Fe Wastewater Co., Inc.

WASTEWATER FLOWS

| MONTH/YEAR (Most Recent 12 Months) | NUMBER OF SERVICES | TOTAL MONTHLY SEWAGE FLOW | SEWAGE FLOW ON PEAK DAY |
|---|-------------------------------|--------------------------------------|------------------------------------|
| January, 2004 | 238 | 583,000 gal | 28,000 gal |
| February, 2004 | 245 | 561,000 gal | 27,000 gal |
| March, 2004 | 255 | 576,000 gal | 31,000 gal |
| April, 2004 | 256 | 498,000 gal | 33,000 gal |
| May, 2004 | 277 | 546,000 gal | 30,000 gal |
| June, 2004 | 291 | 600,000 gal | 33,000 gal |
| July, 2004 | 297 | 695,000 gal | 43,000 gal |
| August, 2004 | 312 | 666,000 gal | 30,000 gal |
| September, 2004 | 367 | 697,000 gal | 30,000 gal |
| October, 2004 | 374 | 720,000 gal | 35,000 gal |
| November, 2004 | 386 | 795,000 gal | 29,000 gal |
| December, 2004 | 391 | 844,000 gal | 38,000 gal |

PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE

| | |
|---|----------------------|
| Method Of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.) | Reuse to golf course |
| Wastewater Inventory Number (all wastewater systems are assigned an inventory number) | 102846 |
| Groundwater Permit Number | |
| ADEQ Aquifer Protection Permit Number | R103173 |
| ADEQ Reuse Permit Number | |
| EPA NPDES Permit Number | |

STATISTICAL INFORMATION

Total number of customers: 391 as of December 31, 2004

Total number of gallons treated is 7,781,000 gallons

COMPANY NAME: Verde Santa Fe Wastewater Co., Inc. -- YEAR ENDING 12/31/2004

INCOME TAXES

For this reporting period, provide the following:

| | |
|--|------------|
| Federal Taxable Income Reported | \$0 |
| Estimated or Actual Federal Tax Liability | \$0 |

| | |
|--|-------------|
| State Taxable Income Reported | \$0 |
| Estimated or Actual State Tax Liability | \$45 |

Amount of Grossed-Up Contributions/Advances:

| | |
|--|------------|
| Amount of Contributions/Advances | \$0 |
| Amount of Gross-Up Tax Collected | \$0 |
| Total Grossed-Up Contributions/Advances | \$0 |

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

4/12/05

DATE

Jason Williamson

PRINTED NAME

Secretary

TITLE

COMPANY NAME: Verde Santa Fe Wastewater Co., Inc. -- YEAR ENDING 12/31/2004

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2004 was: **\$2,423.00**

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 19 2005

VERIFICATION

STATE OF _____

I, THE UNDERSIGNED

OF THE

| | |
|--|---------------------------|
| COUNTY OF (COUNTY NAME) | AZ Corporation Commission |
| Yavapai | Director Of Utilities |
| NAME (OWNER OR OFFICIAL) TITLE | |
| Jason Williamson | |
| COMPANY NAME | |
| Verde Santa Fe Wastewater Co., Inc. | |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| | | |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12 | 31 | 2004 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

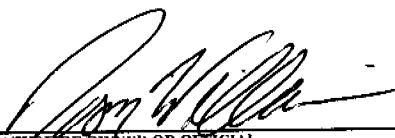
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 150,452

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 0
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
(303) 333-1250
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 12th DAY OF

| | | |
|-------------|--------|------|
| COUNTY NAME | Denver | |
| MONTH | April | 2005 |

MY COMMISSION EXPIRES
KATHRYN L. ZAKARISON
NOTARY PUBLIC
STATE OF COLORADO

My Commission Expires 12/06/2008


SIGNATURE OF NOTARY PUBLIC
12/06/08

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

APR 19 2005

VERIFICATION

AZ Corporation Commission
Director Of Utilities

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

| | |
|--|---------------------------|
| Yavapai | |
| NAM (OWNER OR OFFICIAL) Jason Williamson | TITLE Secretary |
| COMPANY NAME Verde Santa Fe Wastewater Co., Inc. | |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| | | |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12 | 31 | 2004 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

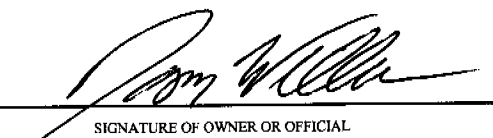
ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$141,156

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$0
IN SALES TAXES BILLED, OR COLLECTED

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

X


SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

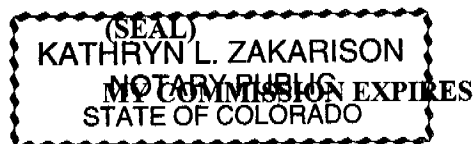
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

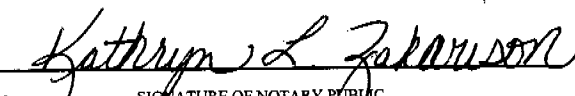
12th

DAY OF

| | |
|---|--------------|
| NOTARY PUBLIC NAME Kathryn L. Zakarison | |
| COUNTY NAME Denver | |
| MONTH April | 20 05 |



My Commission Expires 12/06/2008

X 
SIGNATURE OF NOTARY PUBLIC

12/06/2008

IMPORTANT - SEE REVERSE SIDE FOR COMPLETE EXPLANATION OF VALUE, 2004 TAX NOTICE AND PAYMENT INSTRUCTIONS.

950-20-620 7 139304

VERDE SANTA FE WASTEWATER COMPANY
 C/O JASON WILLIAMSON/VICE PRESIDENT
 6825 E TENNESSEE AVENUE, SUITE 401
 DENVER CO 80224



22-3236

| 2004 TAX SUMMARY (3) | | |
|-----------------------------|--|-------|
| PRIMARY AD VALOREM TAX | | 18561 |
| LESS STATE AID TO EDUCATION | | 0 |
| NET PRIMARY AD VALOREM TAX | | 18561 |
| SECONDARY AD VALOREM TAX | | 10022 |
| SPECIAL DISTRICT TAX | | 0 |

PAY TOTAL OR HALF TAX

| | | |
|-----------------|--|-------|
| TOTAL TAX DUE ➡ | | 28583 |
| HALF TAX ➡ | | 14291 |

DELINQUENT DATES

1st HALF NOV 1 2004

2nd HALF MAY 1 2005

THIS IS THE ONLY NOTICE YOU WILL RECEIVE
 NO RECEIPT WILL BE SENT UNLESS REQUESTED

| PRIMARY PROPERTY TAX CALCULATION (1) | | | | | | |
|--------------------------------------|---------------|----------|----------------|-----------|----------|----------------|
| ITEM | LIMITED VALUE | ASSMT. % | ASSESSED VALUE | EXEMPTION | TAX RATE | AD VALOREM TAX |
| LAND, BLDGS, ETC. | 63059 | 2.50 | 15765 | 0 | 6.9388 | 1093.90 |
| PERSONAL PROPERTY | 43941 | 2.50 | 10985 | 0 | 6.9388 | 762.22 |
| TOTALS ➡ | 107000 | | 26750 | 0 | | 1856.12 |

| SECONDARY PROPERTY TAX CALCULATION (2) | | | | | | |
|--|-----------------|----------|----------------|-----------|----------|----------------|
| ITEM | FULL CASH VALUE | ASSMT. % | ASSESSED VALUE | EXEMPTION | TAX RATE | AD VALOREM TAX |
| LAND | 30750 | 2.50 | 7688 | 0 | 3.8279 | 294.29 |
| BLDGS, ETC. | 32309 | 2.50 | 8077 | 0 | 3.8279 | 309.19 |
| PERSONAL PROPERTY | 43941 | 2.50 | 10985 | 0 | 3.6296 | 398.72 |
| TOTALS ➡ | 107000 | | 26750 | 0 | | 1002.20 |

| 2003-2004 TAX COMPARISON (4) | | | | | | | |
|------------------------------|---------------------------------|--------------|----------------|------------|------------|------------|--|
| TAX CODE | TAX JURISDICTION | 2004 PRIMARY | 2004 SECONDARY | 2004 TOTAL | 2003 TOTAL | DIFFERENCE | |
| 02000 | YAVAPAI COUNTY | 45496 | 00 | 45496 | 00 | 45496 | |
| 02001 | SCHOOL EQUALIZATION | 12198 | 00 | 12198 | 00 | 12198 | |
| 05006 | COTTONWOOD-OAK CREEK SD #6 | 37314 | 18919 | 56233 | 00 | 56233 | |
| 06105 | MINGUS UHS #4 | 48805 | 6032 | 54837 | 00 | 54837 | |
| 08150 | COMMUNITY COLLEGE | 41799 | 7725 | 49524 | 00 | 49524 | |
| 11222 | VERDE VALLEY FD | 00 | 57499 | 57499 | 00 | 57499 | |
| 11900 | FIRE DISTRICT ASSISTANCE FUND | 00 | 2676 | 2676 | 00 | 2676 | |
| 14900 | YAVAPAI COUNTY LIBRARY DIST | 00 | 2905 | 2905 | 00 | 2905 | |
| 15001 | YAVAPAI FLOOD CONTROL DISTRICT | 00 | 3127 | 3127 | 00 | 3127 | |
| 30000 | VALLEY ACADEMY EDUCATION DISTRI | 00 | 1337 | 1337 | 00 | 1337 | |
| | TOTALS ➡ | 185612 | 100220 | 285832 | 00 | 285832 | |

AT OFF A. AND DATED 1-1-05

CLERK OF A. AND DATED 1-1-05

VERDE SANTA FE WASTEWATER CO., INC.

1647

Yavapai County Treasurer - Ross Jacobs
 408.2 - Property Taxes First Half 2004 property taxes

10/21/2004

1,429.16

Wells Fargo Reg C 1st Half 2004 (950-20-620 7)

1.429.16

Yavapai County Treasurer

Ross D. Jacobs
Treasurer

1015 Fair Street
Prescott, Arizona 86305
www.co.yavapai.az.us
Prescott (928)771-3233
Cottonwood (928)639-8123
Fax (928)771-3390

Charles Messing
Chief Deputy

2003 Tax Bill

11/25/2003
VERDE SANTA FE WASTEWATER CO
JASON WILLIAMSON/VP
6825 E TENNESSEE AVENUE
SUITE 401
DENVER, CO 80224

Parcel #980 20 620T0

Area 00620

TOTAL VALUE OF OPERATING PROPERTY

407-37-106-C 30,750

| <u>PRIMARY</u> | (Primary Tax Rate: | 6.102200) |
|----------------|--------------------|-----------|
| LCV | Ratio | Exempt |
| 80,000 | 25.000000 | 0 |

| <u>SECONDARY</u> | (Secondary Tax Rate: | 3.973700) |
|------------------|----------------------|-----------|
| FCV | Ratio | Exempt |
| 80,000 | 25.000000 | 0 |

Net Asst
20,001

Net Asst
20,001

TAX SUMMARY

| | |
|--------------------|----------|
| Gross Primary Tax: | 1,220.50 |
| Less Reduction: | .00 |
| Net Primary Tax: | 1,220.50 |
| Secondary Tax: | 767.90 |
| Special Districts: | .00 |

AUTHORITY

| | | |
|-------|---------------------------------|--------|
| 02000 | YAVAPAI COUNTY | 336.19 |
| 02001 | SCHOOL EQUALIZATION | 94.34 |
| 05006 | COTTONWOOD-OAK CREEK ELEM.S.D. | 96.78 |
| 06105 | MINGUS UNION HS #4 | 379.73 |
| 08150 | YAVAPAI COMMUNITY COLLEGE | 313.46 |
| 11222 | VERDE VALLEY FIRE DISTRICT | 434.02 |
| 11900 | FIRE DIST. ASSIST. FUND | 20.00 |
| 14900 | YAVAPAI CTY. LIBRARY DISTRICT | 22.48 |
| 15001 | YAVAPAI-FLOOD CONTROL DISTRICT | 16.78 |
| 30000 | VALLEY ACADEMY EDUCATION DIST | 10.00 |
| 55006 | SECONDARY SD#6 | 153.56 |
| 56105 | SECONDARY HS#4 | 48.94 |
| 58150 | SECONDARY YAVAPAI COMMUNITY CO. | 62.12 |

Total Tax Due: 1,988.40
Half Tax: 994.20

Only reflects 2003 taxes billed

To avoid paying interest:

| | |
|----------------------------------|------------|
| Pay 1st Half on or before: | 11/03/2003 |
| Pay 2nd Half on or before: | 05/03/2004 |
| -OR- Pay Full Year on or before: | 12/31/2003 |

Delinquent taxes are owed on this parcel. Please
contact Treasurer's Office for total due.

Total

1,988.40

C00828

VERDE SANTA FE WASTEWATER CO., INC.

1569

Yavapai County Treasurer - Ross Jacobs

4/14/2004

408.2 - Property Taxes

Second Half 2003 property taxes

994.20

Wells Fargo Reg C 2nd Half 2003 property taxes (980-20-62

994.20